

SENATE BILL 986

By Gresham

AN ACT to amend Tennessee Code Annotated, Section 67-6-228 and Title 67, Chapter 6, Part 3, relative to sales and use tax exemption for veterans with disabilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

(a) There is exempt from this chapter the sale at retail of food and food ingredients to persons who are residents of this state and have been honorably discharged from active service in any branch of the armed forces of the United States or national guard and who have been certified by the United States department of veterans affairs or its successor to be in receipt of disability compensation at the one-hundred-percent rate. To qualify for the exemption, the person's disability shall be permanent and shall have been sustained through military action or accident or resulting from disease contracted while in such active service. The surviving spouse of such eligible person shall be issued an exemption if the eligible person is deceased and the spouse has not remarried.

(b) Sales of food and food ingredients for the benefit of the eligible person to a spouse of the eligible person or to a member of the household in which the eligible person resides and who is authorized to make purchases on the person's behalf, when such eligible person is not present at the sale, shall also be exempt for purposes of this section. The department of revenue shall issue a separate exemption card to a spouse of an eligible person or to a member of the household in which the eligible person

resides who is authorized to make purchases on the person's behalf, if requested by the eligible person.

(c) Sales qualifying for the exemption authorized by this section shall not exceed twenty-five thousand dollars (\$25,000) per year per individual while the disabled veteran is living. Sales qualifying for the exemption authorized by this section shall not exceed one thousand dollars (\$1,000) per year for an unremarried surviving spouse.

(d) Upon request of the department of revenue, a person asserting or claiming the exemption authorized by this section shall provide a certified statement on a form prescribed by the department that the total sales amounts for which the exemption is applicable have not exceeded twenty-five thousand dollars (\$25,000) per year per living disabled veteran or one thousand dollars (\$1,000) per year for an unremarried surviving spouse. If the amount of such exempt sales exceeds such amount, the sales tax in excess of the authorized amount may be recovered directly from the disabled veteran or surviving spouse by the department in the same manner provided by chapter 1, part 14, of this title, including penalty and interest.

(e) In order to claim the exemption authorized by this section, the person to whom the sale is made shall be required to furnish the vendor proof of eligibility for the exemption as issued by the department, such as an exemption certificate or card. All vendors shall honor the proof of eligibility for the sales tax exemption to a person providing such proof.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.